



NEWS RELEASE

Los Angeles District Press Office

Release Date: June 23, 2004

Release Number: 04-144

Internet Address: <http://www.sba.gov/news/indexheadline.html>

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Korea Town Business Wins Prestigious Award

SBA Names Henry Lee Small Business Exporter of the Year

Los Angeles – The U.S. Small Business Administration (SBA) recently announced the Los Angeles District Office winners of their annual Small Business Week Awards competition. The Los Angeles SBA Office covers Los Angeles, Santa Barbara, and Ventura counties. Mid-Wilshire headquartered American Hide Co., Inc.'s President, Henry Q. Lee, was selected as the **Small Business Exporter of the Year**.

The Award was presented to Mr. Lee at the SBA's 23rd Annual Small Business Week Awards Luncheon which was held at the Millennium Biltmore Hotel in downtown Los Angeles. The luncheon was presented by Bank of America and co-sponsored by the Los Angeles Area Chamber of Commerce and the SBA.

Mr. Lee has been active in the import and export business for more than three decades. After garnering extensive international trade experience in Korea, Henry Lee then decided to move from Seoul to start a business in the United States. Mr. Lee and a business associate purchased American Hide, a rawhide trading company, in July 2000 and, under Mr. Lee's leadership, have increased revenues while successfully insulating the company from some of the adverse conditions inherent in a global economy. The company also overcame the negative impact on the hide trading industry attributable to the SARS outbreak. Mr. Lee's success as President of

American Hide is underscored by his unique trading methodology that employs a proprietary network to efficiently link supply with demand across America, Korea, and China, while factoring in Asian tanning labor and shipping logistics.

Despite American Hide's comparative advantage, vis-à-vis the competition, Mr. Lee's enterprise almost did not survive its initial post acquisition stage. It appears that he was not immune from the quintessential problem that plagues all entrepreneurs---cash flow. Working capital is critical to the traditional type small business, but for an exporter it is absolutely essential to the survival of the enterprise.

For American Hide, conventional financing, although flexible, was a poor fit due to the risky nature of the business. SBA guaranteed financing, on the other hand, would help to mitigate the risk. However, traditional SBA lenders had difficulty in matching the loan terms to the transaction cash flow needs. A blend of these two lending techniques provided the financing that Henry Lee needed in order to support his enterprise.

Mr. Lee, known for his perseverance, did not waver in his quest to find the funds to run his business in the most efficient manner possible. During his time in Korea, he studied the expertise of Center Bank and the ability of that financial institution to adapt its lending products to the needs of customers involved in sophisticated export deals.

Fortunately for Mr. Lee, Center Bank also maintained a strong presence in Korea Town. He was able to work with Center Bank's Taewhan "Ted" Koo to detail a model of his business cash flow needs. Because of the short-term nature of American Hide's transactions, Mr. Koo recommended Mr. Lee as a candidate for the SBA Export Working Capital Program (EWCP).

This loan program assists lenders in responding to the needs of exporters seeking short-term working capital. The EWCP supports single transactions or multiple export sales. Under this program, the SBA guarantees 90% of a private sector loan or \$1.5 million (whichever is less) to an export business like American Hide. EWCP loan maturities are generally for 12 months, with two options to renew, for a total of 36 months. The EWCP fit Mr. Lee's needs perfectly and in July 2000, American Hide commenced operations with a \$1 million EWCP loan. Over the last four years the company has increased its level by 30%, reflecting a continuance of its successful growth under the auspices of Mr. Lee.

. "We are extremely pleased with Mr. Lee's accomplishments," stated Los Angeles SBA District Director Alberto G. Alvarado. "His ingenuity has made American Hide a perfect example of a successful export company, one that not only contributes to a favorable trade balance, but also rewards entrepreneurial spirit with substantial profit contribution. Our office is proud that one of our SBA bank partners took the initiative in structuring the appropriate export financing for Mr. Lee's company."

Henry Q. Lee is available for interviews. Call Frank Brancale at (818) 552-3203.

For additional information on the SBA's EWCP lending, please contact the SBA's International Trade Specialist, Martin Selander at the U.S. Export Assistance Center:

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